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State and Local Taxation

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Part One. General Principles

V. Purposes

A. General Requisites; Public Purpose

1. In General

§ 40. Taxation of one group for benefit of another

[Topic Summary](#) | [Correlation Table](#) | [References](#)

West's Key Number Digest

West's Key Number Digest, [Constitutional Law](#)  4137

West's Key Number Digest, [States](#)  114, 119

West's Key Number Digest, [Taxation](#)  2010 to 2012, 2070 to 2072, 2119

Property may not be taxed for a purpose in which the owners or occupants have no interest, from which they can derive no benefit, and which is solely for the benefit of others.¹ Where a tax levy is for a public purpose, however, it is no objection to its validity that the benefits paid and the persons to whom they are paid are unrelated to the persons taxed.² A tax designed to be expended for a public purpose does not cease to be one levied for that purpose merely because it has the effect of imposing a burden upon one class of business enterprises in such a way as to benefit another class.³

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Footnotes

- ¹ [McKeon v. City of Council Bluffs](#), 206 Iowa 556, 221 N.W. 351, 62 A.L.R. 1006 (1928).
- ² [Carmichael v. Southern Coal & Coke Co.](#), 301 U.S. 495, 57 S. Ct. 868, 81 L. Ed. 1245, 109 A.L.R. 1327 (1937).
- ³ [A. Magnano Co. v. Hamilton](#), 292 U.S. 40, 54 S. Ct. 599, 78 L. Ed. 1109 (1934); [Sinclair v. City of Lincoln](#), 101 Neb. 163, 162 N.W. 488 (1917).

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